

Message Text

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PAGE 01 ABIDJA 01634 161611Z

ACTION EB-08

INFO OCT-01 AF-08 ISO-00 L-03 IO-13 NSC-05 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03
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FM AMEMBASSY ABIDJAN

TO DEPT OF TREASURY WASHDC

INFO SECSTATE WASHDC 2070

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AFDF

TREASURY FOR GAASERUD

E.O. 11652: N/A

TAGS: AFDB, EFIN, EAID

SUBJ: PROJECTION OF AFDF/AFDB RESOURCES

REF: (A) ABIDJAN 1001, (B) FEB 11 HENNESEY/THOMPSON TELCON

1. CURRENT RESOURCES PLEDGED TO AFDF TOTAL APPROX 369 MILLION FUA (FUA-\$1.11 US). OF THIS AMOUNT, PLEDGES TOTALING APPROX 63 MILLION FUA ARE YET TO BE RATIFIED. FOR PURPOSE OF NASTORF TABLE PROJECTIONS, RECOMMEND ASSUMPTION THAT ALL PLEDGES WILL BE RATIFIED BY TIME SECOND GENERAL REPLENISHMENT NEGOTIATIONS COMMENCE IN DEC 1977.

2. FRANCE AND KUWAIT ARE EXPECTED TO JOIN FUND WITHIN FORESEEABLE FUTURE. THEIR COMBINED INITIAL SUBSCRIPTIONS SHOULD EQUAL APPROXIMATELY 20 MILLION FUA. ASSUMING THAT THEY JOIN BEFORE MID 1978, THE TOTAL RESOURCES OF THE FUND GOING INTO SECOND GENERAL REPLENISHMENT WOULD EQUAL 389.190 MILLION FUA.

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PAGE 02 ABIDJA 01634 161611Z

3. REASONABLE ASSUMPTION IS THAT FORMULA FOR 1979-81 REPLENISHMENT WILL BE ADOPTED BY MID 1978. CURRENT PRELIMINARY THINKING AMONG SOME NON-REGIONAL DIRECTORS INDICATES THAT A 100 PERCENT REPLENISHMENT FORMULA MAY BE ADOPTED. IF 100 PERCENT FORMULA IS ADOPTED, RESOURCES PLEDGED TO FUND BY US FY 1981 WOULD EQUAL 778.380 MILLION FUA.

4. AFRICAN DEVELOPMENT BANK: CURRENTLY AUTHORIZED CAPITAL TOTALS 800 MILLION BUA (BUA-\$1.21US), OF WHICH 400 MILLION WA ORIGINALLY INTENDED TO BE IN FORM OF PAID-IN AND 400 MILLION CALLABLE. HOWEVER, CALLABLE IS "OVERSUBSCRIBED", TOTALING 429.615 MILLION BUA. BANK HAS TO DATE BEEN ABLE TO BORROW 86.958 MILLION BUA AGAINST CALLABLE.

5. BANK MANAGEMENT INDICATES THAT AUTHORIZED RESOURCES OF BANK WILL BE EXPANDED BEFORE 1981. HOWEVER, IT IS APPARENT THAT NEITHER THE SIZE OF EXPANSION NOR THE LIKELY SOURCE OF ADDITIONAL RESOURCES HAS BEEN DETERMINED. (ONE INTERESTING PROPOSAL BEING GIVEN PRELIMINARY CONSIDERATION IS TO HAVE AFRICAN COMMODITY EXPORTERS SET ASIDE A PORTION OF COMMODITY PRODUCTION TO SERVE AS COLLATERAL FOR AFDB BORROWINGS IN CAPITAL MARKETS. REPORTEDLY, SOME AFRICAN COUNTRIES HAVE EXPRESSED A WILLINGNESS TO PARTICIPATE IN SUCH A PROGRAM.) FOR PURPOSES OF KASTORF TABLE, WASHINGTON MIGHT WANT TO PROJECT CURRENT AGGREGATE AUTHORIZED FIGURES THROUGH FY 1981. REASONABLE PROJECTION FOR 1981 MIGHT BE 500 MILLION BUA IN FORM OF CALLABLE CAPITAL AND 300 MILLION BUA IN PAID-IN.

6. SPECIAL NOTE: THESE PROJECTIONS WILL, OF COURSE, BE ALTERED SUBSTANTIALLY SHOULD AFDB ADOPT POLICY PERMITTING NON-REGIONAL BANK MEMBERSHIP WITHIN NEXT FOUR YEARS. IT APPEARS THAT SENTIMENT TO PROMOTE NON-REGIONAL MEMBERSHIP IN AFDB IS SLOWLY PICKING UP SUPPORT. REPORTEDLY, MANAGEMENT HAS PRIVATELY EXPRESSED CAUTIOUS OPTIMISM THAT AFRICAN MEMBERS OF BANK MIGHT INVITE SUCH PARTICIPATION WITHIN FORESEEABLE LIMITED OFFICIAL USE

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PAGE 03 ABIDJA 01634 161611Z

FUTURE. A NUMBER OF NON-REGIONAL AFDF DIRECTORS HAVE PRIVATELY STATED THAT IT IS THE POSITION OF THEIR GOVERNMENTS TO ACTIVELY PROMOTE NON-REGIONAL MEMBERSHIP. OTHERS HAVE STATED THAT IN VIEW OF STRONG SENSITIVITIES SURROUNDING THIS ISSUE, IT IS THE POSITION OF THEIR GOVERNMENTS TO DO NOTHING TO PROMOTE NON-REGIONAL MEMBERSHIP. HOWEVER, THEY ARE PREPARED TO JOIN THE BANK IF INVITED TO DO SO. FULL DISCUSSION OF SUBJECT TO FOLLOW SEPTTEL.
STEARNS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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